

WALL STREET WAITING.

THINGS WHICH IT WANTS TO KNOW ABOUT
READING

THE AFFAIRS OF THE COMPANY IN AS MUCH

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**DARKNESS AS EVER—CRITICISM ABOUT
THE CONTINUANCE OF MR. M'LEOD**

IN CONTROL OF THE ROAD.

Speculative excitement in the Stock Exchange ran down yesterday from the high plane it reached on Monday, but there was no material interest in the activities of the Philadelphia and Reading Railroad Company. The force of the liquidation in the securities of the company had been expended, but the whole financial community is hanging upon the developments which may follow the action to secure a receivership. The recent slaughter of holdings has been so sudden and extensive that the consequences may not easily be measured, especially as there are numerous questions in the railroad world yet to be settled. The speculative situation in the stock market may be benefited by the puncturing of a bubble, but perhaps the downfall of the Reading structure may lead to revelations of management that will disturb legitimate interests. It is this fear which left Wall Street disturbed and anxious at the close of business yesterday, and the worried men could see no offsetting advantage in a possible war on coal rates, even though that idea was scouted by the leading officers of the coal-producing companies and prominent men in the coal trade.

The magnitude of the collapse in the sovereignty of the Philadelphia and Reading is yet impossible to measure. The full significance of the suit through which the receivership was effected is not yet now be outlined. The surface facts would not indicate that the management of the Reading had been seriously disturbed. One of the receivers is the executive officer—Archibald McLeod—who is held responsible for the errors of financial and railroad management, which led to the collapse. Another one of the receivers is a man whose interests should naturally be devoted to the protection of a property that, when paying dividends, was turned over to a company that had passed through two bankruptcies. The third receiver is a man of the highest reputation in legal circles, whose integrity is unquestioned, but whose capacity as a manager is not known wholly to the satisfaction of important New-York interests. In these circumstances some excuse may be given for the launching of criticisms in Wall Street banking circles against the present conduct of the receivership. The brunt of the objection's inevitably falls upon the continuance of Mr. McLeod in the direction of the affairs of the Reading. It is urged by his New-York critics that the failure of the Reading Company proves his incapacity as a financial manager, even if it may not be doubted whether he has not given too much attention to outside schemes to warrant approval as a railroad operating chief. To put him into a place which, if his weakness as a manager is admitted, would give him prominence in the future direction of the insolvent company's affairs is considered by many persons a mistake.

This question, together with many others, depends in its answer upon the developments which may be made as to the actual financial condition of the Reading property and the cause that led to its suspension of payments. The size and character of the floating obligations of the Reading are unknown; the methods and possibilities of reorganization are equally unsettled. There is nothing yet known here of the actual situation, and while all suggestions of scandal may not be justified, they cannot be suppressed. A loud call is made for a stringent scrutiny. If there are speculative motives at the bottom of the financial collapse, they should be exposed. If rival railroad interests have helped to crush a property which otherwise would have sustained its solvency, conservative men in Wall Street demand that the responsibility be fixed. If the financial integrity can be proved and existing conditions traced simply to errors of judgment, the facts are needed for the enlightenment alike of creditors and investors in the property. If the proceedings that secured the receivership were inspired by a design to protect the present management of Reading, it is hoped that the scheme shall be exposed for the vindication of innocent men who may have been led into the trap. The wreck of the Reading securities represents an enormous liquidation. The attitude of investors must hereafter depend upon the question as to whether the wreck was largely speculative, or only the precipitation of a crisis in the affairs of Reading that, in its origin, was destined to be caused.

It was impossible to learn in New-York the extent of the floating debt of the Reading system. The amount of interest unpaid upon the preference income bonds cannot be determined. At the annual meeting of the stockholders of the company on January 9, the declaration of the interest was made. Payment was begun on February 1, and the Corbin Banking Company, of this city, was delegated to pay interest to York holders. This bank made payments of New-York up to last Saturday. It is said that payments were made on Friday, but on Friday the holders of preference incomes who presented their claims at the Corbin bank were referred to the Philadelphia offices of the Reading Company. The papers in the hands of Thomas C. Platt, on which the receiver is proceeding to collect, show that when the payment of interest on his holdings of third preference bonds was referred to him. The belief in Wall Street circles is strong that many holders of these bonds neglected to draw their interest promptly and so are left to wait upon the developments in the re-

There are numerous guesses as to the extent of the floating debt of the Reading Company, but they range from \$6,000,000 to \$17,000,000, without data to support any estimate that is trustworthy. One of the early reports of the day was that the Lehigh and Wilkesbarre Coal Company, which is controlled by the Central Railroad of New Jersey, owes nine notes of \$200,000 each, a total of \$1,800,000, against the Reading Company, and that all other transactions while the Jersey Central's interests were under the Reading management were made on credit. President J. Rogers Maxwell, of the Central Railroad of New Jersey, made the following statement on this point: "The total amount due directly or indirectly from the Reading to the Lehigh and Wilkesbarre Company is \$103,000. The balance having been paid some time ago. The Reading owes the Jersey Central only \$127,000 on traffic balances, which is less than the usual amount incurred in the course of interchanging business. These are preferred liabilities under the order of

There were rumors in the Street that considerable sums of money were owed to individual coal operators along the line of the Reading road under the arrangements for the purchase of production made what the McLeod management dreamed of "cornering" coal. It may prove that these are no more than the ordinary advances made by all the coal companies when they purchase production ahead of the marketing. There may be obligations of this sort against the Reading Company in excess of the amount usually carried, but the aggregate it is impossible to estimate. The extent of the default last week in the payment of wages due to employees it is also impossible to estimate. It will be remembered that the pay cars of the Reading Company were recalled when on the way to Trenton and Wilkesbarre on Friday. Yesterday it was officially an-